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AN ECONOMIC ANALYSIS OF FINANCIAL INCLUSION AWARENESS OF PALIYAR TRIBES IN KODAIKANAL HILLS IN DINDIGUL DISTRICT, TAMILNADU

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ABSTRACT:

In India, the focus of the financial inclusion at present is confined to ensuring a bare minimum access to a savings bank account without frills to all. Internationally, the financial exclusion has been viewed in a much wider perspective. Having a current account/saving account on its own, is not regarded as an accurate indicator of financial inclusion. Tribal people constitute a vast majority of financial excluders in the country. Such access is especially powerful for the tribal groups as it provides those opportunities to build savings, make investments, deposit, avail loans, bank overdraft facilities, and awareness on all day-to-day financial dealings. To examine the financial inclusion services provided by the banks and its awareness among the selected sample respondents of the tribal village. It is ironical that despite a large number of well-meaning constitutional provisions aimed at protecting and safeguarding the welfare and interest of the tribal communities, the process of marginalization of the tribal's has gone on unabated. This study mainly aims to assess the level of awareness on financial inclusion among the Paliyar tribes, who are the residents at Kodaikanal hills of Dindigul District, Tamilnadu. This study paves the way to attain the results of financial inclusion initiatives, benefits, and awareness among the vulnerable.

Keywords: Financial Inclusion, Socio-economic status, Tribes, Savings, and Standard of living.

1. INTRODUCTION

India has been historical progress and growth in the past decade. While the growth story has been impressive, there are causes for concern on other dimensions. We have a long way to

go in addressing concerns of absolute poverty. Low income Indian householders in the informal or subsistence economy often have to borrow from friends, families or usurious moneylenders. They have little awareness and practically no access to insurance products that could protect their financial resources in unexpected circumstance such as illness, property damage or death of the primary breadwinner. ¹

In the Indian context, Rangarajan Committee (Report of the Committee on Financial Inclusion in India (2008) defines it as: "Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost". The financial services include the entire gamut - savings, loans, insurance, credit, payments etc. By providing these services, the aim is to help them come out of poverty. ²

More than half of the people in India do not have access to banking services and more particularly the tribal people. Tribal people constitute a vast majority of financial excluders in the country. Due to the geographical distance from bank, financial illiteracy, gender-inequality, paucity of income, ID proofs tribal people are excluded from the purview of financial inclusion. Therefore, there is a vast scope of devising methods for achieving total financial inclusion in a country for taking necessary steps to reduce the gap.

Financial inclusion is a practice of ensuring access to financial services to the large hitherto un covered population of the country to unlock its growth potential. The ultimate goal of a nation is to attain financial inclusion of all sections of its people and thereby inclusive growth. The prime objective of financial inclusion is not just limited to credit but involves wide range of financial products like savings account ,insurance, remittance and other facilities to the under privileged and the poor in rural areas. Financial inclusion plays an important role in mobilizing and allocating resources in the economy. It access of banking and other financial services to all the sections of the society at an affordable cost. For the effective growth and development of the economy, it is necessary to include and involve those marginalized people in formal banking sector.

Definition for Financial Inclusion

“Financial Inclusion is the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker section and low income groups at an affordable cost in a fair and transparent manner by mainstream Institutional players”. The Committee on Financial Inclusion (Chairman: Dr. C. Rangarajan, 2008).

Paliyar Community

The Paliyar tribes have a traditional identity with certain territories of community living especially in the Palani hills, Kodaikanal hills, and Sirumalai hills of Tamil Nadu, located on the Western Ghats continuing from the Anamalai hills of Kerala. They are and have been known by multiple names such as the *Paliyans*, *Pazhaiyares* and *Panaiyars*. Historically, the Paliyars were spread all over the Dindigul district and the Sirumalai Palani hills, adjacent to the Western Ghats. As they inhabited the Palani hills, they were known as *Panaiyars*. The tribal economy is labelled as primitive economy. Most of the tribes depend on agriculture, by collecting fruits, cultivating vegetables and honey for their existence. Traditionally, the Paliyars were hunters and gatherers, residing in the forests of the Western Ghats. Presently, they have transformed into traders of forest products, food cultivators and beekeepers, with some working intermittently as wage labourers, mostly on plantations. The Paliyars worshipped the forest deities. They sought protection from these deities. As they resided in forests and caves and were dependent on nature for their survival, the forest deities were extremely important to them. The Paliyars had many interesting practices to survive in the forests. For instance, they believed that whispering and talking to animals was one way of

Gender	Male	20	57	11	55	10	50	13	52
	Female	15	43	9	45	10	50	12	48
	Transgender	-	-	-	-	-	-	-	-
Age	Below -25	13	37	10	50	4	20	7	32
	26-35	9	26	5	25	11	55	8	28
	36-45	6	17	3	15	2	10	5	20
	46-50	3	9	1	5	2	10	3	12
	Above 50	4	11	1	5	1	5	2	8
Education	Illiterate	5	11	2	10	4	20	3	12
	Primary	14	40	8	40	10	55	8	32
	High School	12	4	5	25	5	10	10	40
	Higher Secondary	2	6	3	5	1	10	4	16
	Graduate	2	6	2	10	0	5	1	3
	Post Graduate	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
Source of Income	Small Business	2	6	3	15	-	-		
	NTFP collection	15	43	4	20	10	50	8	32
	Labour	13	37	13	65	8	40	9	36
	Farmer	5	14	-	-	2	10	8	32
Monthly Income Family	Below – 3000	7	20	7	35	8	40	11	44
	3000 -6000	12	34	3	15	2	10	6	24
	6000 - 9000	10	29	3	15	5	25	3	12
	6000 - 9000	3	9	4	20	3	15	3	12
	Above -9000	3	9	3	15	2	10	2	8

Source: Computed from field data

Financial inclusion status of respondents

The standing of financial inclusion of the preferred respondents is discussed below.

A) Have a Bank Account.

Table.2. Details of Bank Account holders

Particulars	Respondents								All area
	Kuthiraiyaru Anai		Pachalur		Vadakounji		Savarikadu		
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	
Yes	31	89	18	90	18	90	21	84	88
No	4	11	2	10	2	10	4	16	12
Total	35	100	20	100	20	100	25	100	100

Source : Computed from the field data

It is clear from table No.2 that is 88% of the surveyed respondents are having a bank account, whereas only a minor percentage (12%) belongs to a category of not possessing a bank account.

B) Reason for not having a Bank Account Table.

Particulars	Respondents								
	Kuthiraiyaru Anai		Pachalur		Vadakounji		Savarikadu		All Area
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Distance	2	33	-	-	1	-	-	-	3 (25)
No Money to save	3	50	2	67	1	50	1	50	7 (58)
Lack of awareness	1	17	0	33	0	50	1	50	2 (17)
Lack of advice	-	-	-	-	-	-	0	0	-
Lack of Understanding	-	-	-	-	-	-	-	-	-
Total	6	100	2	100	2	100	2	100	12

Source: Computed from the field data

As regards the reason for not having a bank account, (Table -3) majority of the respondents (58%) from all area opines that they spare no money to save as the major factor. The second serious reason is Distance (25%) and the third reason is recorded as lack of awareness (17%).

Awareness level of the respondents about no frill account.

No frills account (NFA) is financial product which allows financially excluded individuals to access banking services for the purpose of savings. It is clear from table No.4 that 53% of the respondents from four areas have awareness about BSBDA. (Basic Savings Bank Account).

Table. 4. Awareness of No Frills A/c.

Particulars	Respondents								
	Kuthiraiyaru Anai		Pachalur		Vadakounji		Savari kadu		All Area
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Yes	23	66	14	70	15	75	19	76	71(71%)
NO	12	34	6	30	5	25	6	24	29 (29%)
Total	35	100	20	100	20	100	25	100	100

Source: Computed from the field data

Awareness level of the customers about financial services offered by banks after opening an account

Table. 5 Level of awareness among the customers

Nature of Financial Services	Nature of Financial Services	Respondents								
		Kuthiraiyaru Anai		Pachalur		Vadakounji		Savari kadu		All Area
		Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.

Savings & Deposits	Not familiar	14	40	5	25	4	20	10	40	33
	Just Familiar	21	60	15	75	16	80	15	60	67
Passbook & cheque	Not familiar	25	71	16	80	15	75	15	60	71
	Just Familiar	10	29	4	20	5	25	10	40	29
Loans and interest rate	Not familiar	22	63	13	65	15	75	20	80	70
	Just Familiar	13	37	7	35	5	25	5	20	30
ATM	Not familiar	19	54	12	60	14	70	19	76	64
	Just Familiar	16	46	8	40	6	30	6	24	36
Insurance Products	Not familiar	27	77	17	85	16	80	19	76	79
	Just Familiar	8	23	3	15	4	20	6	24	21

Source: Computed from the field data

Table No. 5 depicts that banking institution possess a decisive role in creating the awareness and spreading the message about NFA. The media and SHG both have failed to act as a source of information, the role which they are invented to play.

Majority of the respondents have information about the savings and deposits of banks. In terms of pass book and cheque, around 71% of the customers have little awareness. The understanding about loans and interest rates are very poor 70% meaning they don't have better idea about these services. Customer's awareness level of ATM and insurance schemes are very much pathetic. In terms of ATM, around 64% of the customers are not familiar about its working. The case of insurance services reveals that only 21% of the customers having an adequate knowledge of various schemes offered by the banks. From among the five variables of awareness level, majority are unsatisfactory except savings and deposit products.

The details of banks in which Paliyars have account

Table.6. Kinds of Banks in which Paliyars have account

Particulars	Respondents								
	Kuthiraiyaru Anai		Pachalur		Vadakoumji		Savari kadu		All Area
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Nationalised banks	13	37	10	50	9	45	13	52	45
Private sector banks	-	-	-	-	-	-	-	-	-
Gramin Bank	4	11	7	35	4	20	4	16	19
Cooperative banks	14	40	3	15	4	20	5	20	26
Post office	4	11	-	-	3	15	3	12	10
Total	35	100	20	100	20	100	25	100	100

Source: Computed from the field data

It is clear from table No. 6, that majority of the respondents have their accounts in nationalized banks (45%), followed by cooperative banks. The presence of private banks is

very negligible in the study area.

Holding ATM/debit card

Table .7. Holding ATM/Debit Card

Particulars	Respondents								
	Kuthiraiyaru Anai		Pachalur		Vadakounji		Savari kadu		All Area
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Holding Cheque book	21	60	7	35	10	50	5	20	43
Holding ATM/Debit Card	6	17	10	50	8	40	15	60	39
Do not Hold	8	23	3	15	2	10	5	20	18
Total	35	100	20	100	20	100	25	100	100

Source: Computed from the field data

It is clear from table No. 7 that 43% of the respondents are holding Cheque book and 39% of the respondents have ATM/Debit card. Only 18% of respondents do not have the access of cheque book or ATM cards

Opinion of Paliyars towards banking services.

Table 8. Opinion of Paliyars towards banking services.

Particulars	Respondents								
	Kuthiraiyaru Anai		Pachalur		Vadakounji		Savari kadu		All Area
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Excellent	3	9	2	10	3	15	2	8	10
Good	10	29	9	45	7	35	3	12	29
Average	13	37	3	15	3	15	9	36	28
Poor	7	20	1	5	3	15	5	20	16
No opinion	2	6	5	25	4	20	6	24	17
Total	35	100	20	100	20	100	25	100	100

Source: Computed from the field data

As regards the opinion of the respondents about the banking services, (table-8) majority of the respondents (75%) from all area opines that they are satisfied with the service provided by the banks. The survey found that 17% respondents have no opinion.

Suggestions for the Improvement

1. In case of ATM and insurance services, best part of the customers has only a little

knowledge. So the banks should organize various awareness programmes for enriching their knowledge.

2. More number of ATMs are very essential in this vulnerable area
3. Banking service centre are to be set up in various places of this vulnerable area for improving their savings habit. Then only the major constrain of (No money to save) for opening an account can be removed.
4. Govt. should plan various schemes for banking the unbanked people living in this area by offering low interest rates, credit schemes, lower premium insurance products, pension schemes etc
5. BSBDA (No frills) should be tagged with Aadhar Enabled payment system (AEPS)
6. Government should introduce new programmes to bring the socially excluded sector in the financial programmes by offering low premium insurance, pension schemes, low interest rate credit facilities and promote self-help groups.

4. CONCLUSION

Economic development is the backbone of any development in the society. To develop the nation, uplifting of marginalized sections is essential. The earning capacity of the vulnerable society is very low. Their income and standard of living too are correspondingly at very low level. Majority of the tribal people have bank account due to the reason that the remuneration under schemes is paid through the individual bank account of the beneficiaries. The governmental agencies have to re-design the financial literacy programme in such a manner that will reach the tribal areas. The schemes have high potential to remove the poverty in tribal areas besides creating long term natural assets for sustainable development. Financial inclusion and infrastructural development should go concurrently for even handed development of the deprived groups living in the society. The services provided in this account should include facility to deposit and withdrawal of cash at the bank branches as well as ATMs, credit of monetary benefits received under government schemes etc.

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